FRED UPTON, MICHIGAN CHAIRMAN

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14-170 12-268 FRANK PALLONE, JR., NEW JERSEY BANKING MEMBER

ONE HUNDRED FOURTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

2125 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-6115

> Majority (202) 225-2927 Minority (202) 225-3641

February 19, 2015

ACCEPTED/FILED

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

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Federal Communications Commission Office of the Secretary

FEB 2 0 2015

Dear Chairman Wheeler:

I write to urge you to take a fresh look at the Federal Communications Commission's wireless competition policies for next year's incentive auction. The Commission's rules should be used to benefit actual small businesses.

New Jersey alone is home to over 800,000 small businesses. These businesses are vital to our economy and are responsible for half of the jobs in the state. Without smart policies, small businesses simply cannot survive in capital-intensive industries such as telecommunications. In recognition of this fact, Congress directed the FCC in the Communications Act to develop rules that help small businesses and encourage competition.

I am deeply concerned, however, by reports that major corporations have been able to game certain FCC rules designed to aid small businesses. If these reports are true, large businesses took advantage of loopholes first adopted in the Bush administration. Not only do these Bush-era rules undermine Congressional intent, they may result in real small businesses being boxed out of the telecommunications market.

Fortunately, with the FCC's upcoming incentive auction, we have a chance to get this right. This auction may be the last time for years that small businesses can access the airwaves most useful for wireless broadband. As the Commission considers the rules for this auction, it should make sure its competition policies are geared toward those who need it most—not just major corporations and incumbents.

The FCC's upcoming auctions are a once-in-a-generation opportunity. The Commission's rules should make sure this chance extends to actual small businesses. Do not repeat the mistakes of the past.

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Sincerely,

Frank Pallone, Jr.
Ranking Member